

HOUSING PRIVATIZATION--Fact Sheet

GOAL

To provide military families access to safe, quality, affordable, well-maintained housing in a community where they will choose to live.

PROJECT OVERVIEW

This project involves a real estate transaction to privatize approximately half of the military family housing at Hickam AFB. The Air Force intends to lease approximately 238 acres of land for 50 years and convey 1,356 existing housing units and other improvements to Actus Lend Lease, a private community development company. Once an agreement is signed, Actus Lend Lease will own and operate the rental housing development for military families for 50 years, as well as finance, plan, design, and construct improvements. Actus Lend Lease will within approximately five years after closing:

- Construct 638 new units in the Earhart housing area
- Conduct major renovation on 178 Capehart units
- Conduct minor renovation on 354 Capehart units and 186 Earhart units

THE DEAL

The success of the project is based on a long-term commitment between the Air Force and Actus Lend Lease.

Hickam AFB brings:

- 1,356 revenue-producing housing units and improvements.

- Long-term land lease (50 years) for the Capehart and Earhart housing areas.

Actus Lend Lease brings:

- A complete and feasible business and financing package.
- Construction of 638 units and renovation of 718 units
- Well-developed community plans and quality designs.
- Quality property management for 50 years

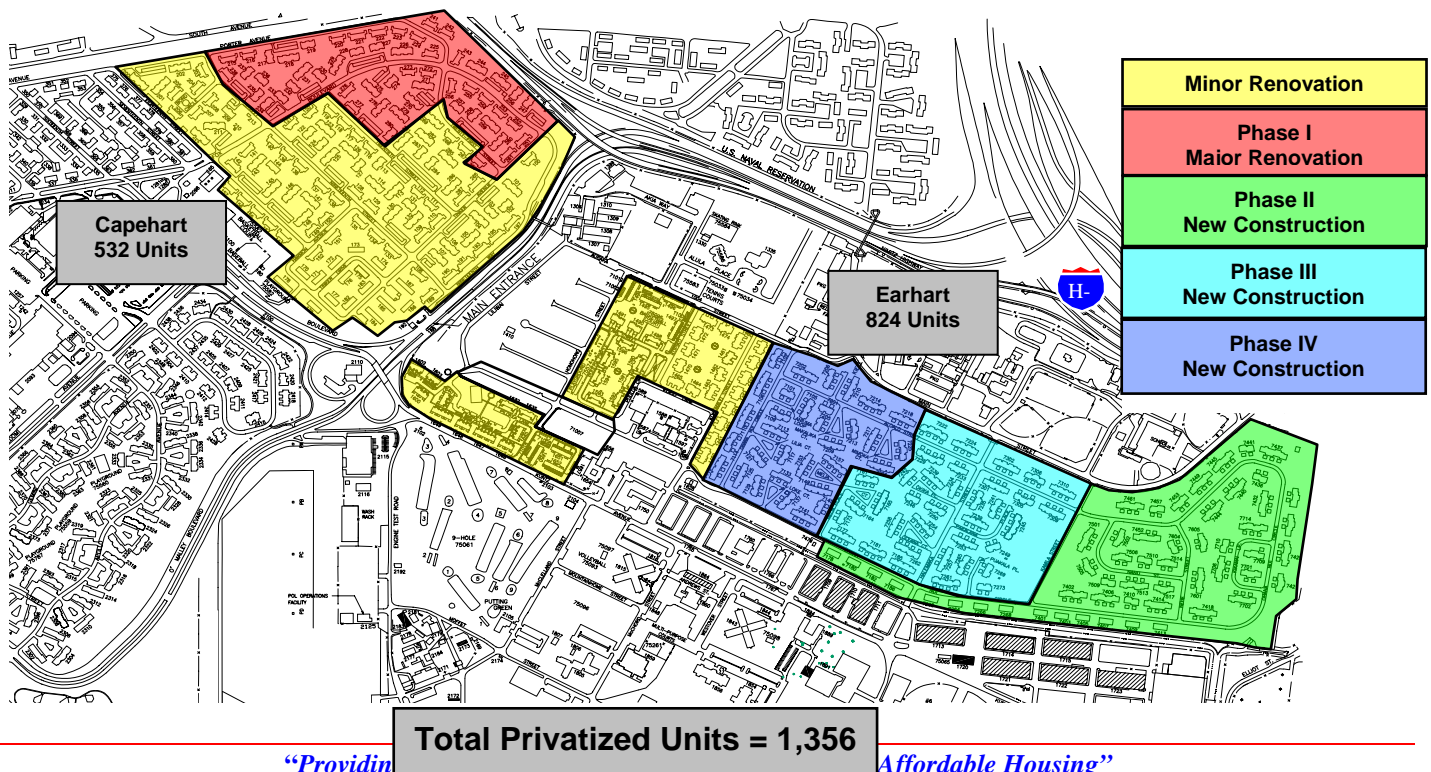
INITIAL CONSTRUCTION PERIOD

(Dates will be adjusted when known)

Actus Lend Lease plans to conduct four major phases of construction. Minor renovation work will be scheduled in a manner to minimize inconvenience to residents:

- Phase One – Commencing 4/2004 and completed 6/2005
Demolish 194 units in Capehart, build/replace 178 units in Capehart, build 16 new units in Earhart, and build housing office & community center
- Phase Two – Commencing 5/2005 and completed 8/2006
Demolish 222 Earhart units and build 266 new units
- Phase Three – Commencing 8/2006 and completed 9/2007
Demolish 214 Earhart units and build 196 new units
- Phase Four – Commencing 9/07 and completed 9/2008
Demolish 186 Earhart units, build 160 new units, and build swimming pool and recreational sports complex

Figure 1 – Housing Units to be Privatized (Colored) and Actus Lend Lease Improvements to be Made



RENT STRUCTURE

- Military members receive their basic allowance for housing (BAH).
- Referred military members will be offered units designated for their rank at a cost equal to BAH (with dependents).
- Military tenants pay rent by allotment to the developer.
- Rent includes refuse collection, water, and sewage.
- Tenants pay phone & cable TV charges to respective providers.
- Electricity will initially be included in the rent. After meters are installed on new or renovated units, the rent will be reduced by 110% of the projected electric cost and the tenant will pay for actual electricity used.

DESIGN AND CONSTRUCTION REQUIREMENTS

Details on what Actus Lend Lease will provide are forthcoming. However, below is a minimum of what the company intends to provide:

- **Community Planning:**
 - Incorporate green space, landscaping, underground utilities, and recreation areas to enhance the overall neighborhood environment and improve quality of life
 - Reconfigure existing vehicular and pedestrian traffic patterns as needed for new construction.
 - Cut curbs to provide handicapped accessibility.
 - Provide tot lots and playgrounds
- **Unit Design and Construction for Major Renovation or New Construction:**
 - Modern efficient floor plans incorporating orderly arrangement of functions, circulation and open spaces.
 - Designs with inviting entrance, indoor/outdoor integration and pleasing interior appearance.
 - Modern kitchens & bathrooms with well organized work area and quality fixtures and finishes.
 - Conveniently located interior storage.
 - Housing units will be a combination of multiplex, duplex, and handicap accessible units.
 - Durable, low maintenance, and functional materials, equipment, and finishes.
 - Central air conditioning.
 - Two full baths and one ½ bath in 3 and 4-bedroom units.
 - Covered lanais.
 - Hard finish floor in kitchen, dining area, and entry foyer.
 - Carpet in bedrooms, halls, and other living areas.
 - Overhead lighting in all rooms.
 - Window treatments (such as mini-blinds)
 - Utility meters for billing purposes.
 - Exterior trash storage areas screened.
 - New energy efficient appliances.
 - Screen doors for exterior entrances.
 - Solar water heating.

➤ Perform Major Renovations on 178 Units in Capehart.

In addition to the major renovation requirements described in the previous paragraph, Actus Lend Lease must ensure these homes are architecturally compatible with the existing homes in the area.

➤ Perform Minor Renovations on 540 Units in Capehart and Earhart

- On all 540 units, add solar water heating
- On 84 Earhart units, add central A/C and lanai roof
- On 82 Earhart units, add roof over lanai
- On 20 Earhart units, add CATV outlets

REAL ESTATE MANAGEMENT SERVICES

- Professionally staffed property management office.
- Certified Real Estate Property manager.
- Tenant leases/eviction/dispute resolution procedures.
- Allow tenants to provide in-home childcare and operate other in-home businesses, provided they obtain applicable permits.
- Allow domesticated pets on premises with no pet deposit.
- Provide pest control.
- Provide curbside refuse collection and recycling service.
- Provide all utilities and refuse collection for common areas.

TARGET MILESTONES

Inspection of Homes	Completed
Neighborhood Meetings (Lease signing)	Completed
Conveyance Date (Tentative)	Fall of 2004

HOUSING PRIVATIZATION INFORMATION SOURCES

Mr. Darryl Nii, of Booz Allen Hamilton, Inc. is the on-site consultant tasked with supporting the base's housing privatization needs. Contact him at 448-3969; email: darryl.nii@hickam.af.mil.

See <http://www2.hickam.af.mil/housing/PrivMH/index.htm> for updated information regarding the Hickam Housing Privatization project. The site is found on the 15 AW public website.